

THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

**ADVANCED CONCEPTS AND PRACTICES
FOR INVESTING PUBLIC FUNDS**

October 22-23, 2009
Wyndham San Jose
San Jose, CA

AGENDA

THURSDAY, OCTOBER 22

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| 8:00 AM | Registration/Distribution of Seminar Materials/Breakfast |
| 8:30 AM | Seminar Welcome and Opening Remarks

<i>John Decker, Executive Director,
California Debt and Investment Advisory Commission</i> |
| 8:45 AM | Investment Economics
This session provides an advanced discussion of the yield curve and factors that drive risk and influence interest rates. Speakers define the yield curve and explain how it works, and how it can be utilized by the investment decision-maker. This session also covers factors that drive risk and influence rates, such as timing, market forces, business cycles, and monetary policy. The speakers will provide an update on the state of the economy. |
| 9:45 AM | Break |
| 10:00 AM | Cash Flow Management and Forecasting
This session focuses on advanced practices for preparing and implementing a cash forecast and using the forecast to make investment decisions. Speakers describe how to develop of cash flow models for short-term and long-term investing, as well as the distinctions between forecasting operating funds and bond proceeds. Speakers also walk through a cash flow analysis and demonstrates how cash flow influences an investment portfolio. |
| 11:00 AM | Break |
| 11:15 AM | Selecting the Best Products for Your Investment Goals - Part I
Speakers will review commonly used investment products currently available to investment managers. A panel consisting of an investment advisor, two investment |

bankers, a city treasurer, a county treasurer, and a product specialist will describe and evaluate the tools. Part I of this session will include topics about the advantages and disadvantages of fixed, liquid products, and products not easily sold in the secondary market. In addition, Speakers will cover concepts related to investment performance, such as risk, duration, and convexity.

12:00 PM Luncheon for All Participants and Speakers

1:00 PM Selecting the Best Products for Your Investment Goals - Part II
Part II continues the discussion of commonly used investment instruments and how the products work, pricing of the products, and the advantages and disadvantages these instruments. Panelists will cover structured products such as guaranteed investment contracts and forward purchase agreements.

2:45 PM Break

3:00 PM Changing Roles of Investment Professionals
This session focuses on the services provided by brokers, dealers and investment advisors and how those rolls are evolving and changing in the financial markets. The speakers will explain the difference between the primary and secondary dealers and the GSE markets, plus the essential changes in these investment professional roles in this rapidly changing marketplace.

4:00 PM Adjournment

FRIDAY, OCTOBER 23

8:00 AM Check-in

8:30 AM Establishing Benchmarks
This session focuses on benchmarking as an investment management and oversight tool. The speaker addresses the purpose of benchmarks, the benefits of benchmarking, development benchmarks, and the evaluation of investments using benchmarks.

10:00 AM Break

10:15 AM Rebalancing Your Portfolio
As time passes, a review of an agency's portfolio is essential to ensure that it still reflects the investment strategy. The speaker explains why portfolio assets change, reviews the concept of portfolio rebalancing, and discusses rebalancing frequency. The speaker also describes the methodologies for readjusting a portfolio and provide examples of rebalancing.

11:15AM Break

11:30 AM Hot Topics In Public Portfolio Investments

This final session provides participants with information on what to do when securities are downgraded, executing exit strategies despite the investment policy rule, measuring credit risk in the portfolio asset classes, and other emerging investment programs such as temporary liquidity guarantees.

12:30 PM

Closing Remarks